

NOTA DE PRENSA PRESS RELEASE

TELEFÓNICA LAUNCHES AURA AND LEADS THE INTEGRATION OF ARTIFICAL INTELLIGENCE IN ITS NETWORKS AND CUSTOMER CARE

- Telefónica launches the first release of Aura in six countries: Argentina, Brazil, Chile, Germany, Spain and the UK
- Aura will be a one-stop shop for our customer needs. Customers will be able to talk to Aura through Telefónica's own channels and some third party platforms like Facebook Messenger, and in the future through the Google Assistant and Microsoft Cortana
- The company introduces Movistar Home, the smart device for the home powered by Aura
- Telefónica works with DT, KPN and Orange on a data portability initiative

MWC, **Barcelona**, **February 25th 2018**. Telefónica today announced the launch of Aura, an artificial intelligence-powered digital assistant that will transform the way customers interact with Telefónica and manage their digital life with the company. They will be able to use a first release of Aura in Argentina, Brazil, Chile, Germany, Spain and the United Kingdom. Aura will be delivered to customer devices via a mobile application, but also via other third-party channels including Facebook, Google and Microsoft.

Speaking at the launch, the chairman of the company, José María Álvarez-Pallete, highlighted Aura's potential for its customers. "A year ago we said we wanted artificial intelligence to be the basis of our clients' relationship with us and we are delivering on our promise. Digitalization is the core of our business and thanks to the deep internal transformation that we have undergone in the last 8 years we have become a company of smart platforms."

Aura arrives in Argentina (Mi Movistar), Brazil (Meu Vivo Mais), UK (O2 Ask) and Spain (Movistar+ Habla) through Telefónica's own applications with different use cases. In some cases, customers will be able to talk to the network in real time through multiple channels and ask about their bill, the services contracted, data usage, and other content. We want to make the complex simple for our customers.

"Chema Alonso, Chief Data Officer, added "Aura is more than a digital assistant and this launch is just the beginning. Aura will grow day by day with new capabilities and will transform the way we interact with our customers."

Since 2012, Telefónica has invested approximately 56 billion euros in the deployment of state of the art infrastructure, the integration of all its IT systems and the development of new digital products and services. These platforms are building blocks that enabled Telefónica to develop a fourth platform where the data is securely stored and infused with artificial intelligence that will make the company more efficient and offer new services. This platform enables Aura to transform the way Telefonica will talk to its customers.

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Aura aspires to be where Telefónica customers want to be and so will be available in other channels. In this first stage it will be integrated with Facebook Messenger in Germany and Chile. Telefónica customers in these countries can include Aura among their contacts and interact with it through the chat as they like. In Chile, it will also be integrated with Facebook's Safety Check service to help Telefónica customers connect with friends and family to let them know they are safe following a crisis, such as an earthquake.

In the coming months, Aura will be integrated with the Google Assistant, and, by 2019, it will also work with Microsoft Cortana.

Movistar Home reinvents communications in the home with Aura

Telefónica, the leading technology provider for the home in Spain, also presented future plans for Movistar Home, a device that brings all its services integrated with Aura's artificial intelligence capabilities. With edge computing features to process and analyze data, Movistar Home aims to become a hub where users can connect and manage all the devices in the home. Equipped with a second screen, they will be able to make voice and video calls that can be projected on the television. It will also manage the connectivity of the router and will be the voice control of television sets offering a whole new entertainment experience. Just by talking to Aura, customers can change the channel, schedule a recording or ask for a recommendation. Movistar Home will be initially launched in Spain later this autumn.

Empowering customers with their data

With Aura, each customer has a personal data space, the memory which securely stores in the 4th platform the data they generate when using Telefónica's products and services (for example; location, payment history, etc). This personal data space will soon allow Aura not only to offer a personalized experience for each user but also to show customers the data they generate and give them control over how it is used.

Telefónica, Deutsche Telekom, KPN and Orange have jointly been leading the Data Portability Cooperation, an initiative that is analyzing the implementation of portability of data in a way that adds value to customers while protecting their privacy. This cooperation will be extended during 2018 to new players to lay the foundation for defining a new global data portability ecosystem.

For more information on Aura visit: <u>https://aura.telefonica.com/</u> Talk to Aura

Supporting partner quotes

Facebook

"Messenger makes it easier for 1.3 billion people around the world to stay connected with the people and things that are important to them. We're excited that Telefonica customers in Chile and Germany will be able to interact with Aura in the same place where they are already messaging their friends and family," said Javier Oliván, Vice President of Growth at Facebook. "We're also looking forward to partnering with Telefonica in Chile to provide customers who use Aura with an easy way to let friends and family know they're OK in case of a crisis."

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Google

"With the Assistant Carrier program, our goal is to help carriers like Telefonica integrate with the Google Assistant to give their customers more insight and control over their services," said Scott Huffman, Vice President for the Google Assistant. "By bringing together Telefonica's Aura customer care efforts with the Google Assistant, we're able to help customers easily keep up with their bill, data and more, just by asking the Assistant."

Microsoft

"We share Telefonica's vision about how Artificial Intelligence can help to create a revolutionary end user experience, and are very excited that Telefonica are using Microsoft AI capabilities for Aura and their digital transformation journey. We are looking forward to integrating Aura with Cortana in key markets, starting with UK." said Gurpreet Singh Pall, VP, Bing and Cortana Products Global Ecosystem.

About Telefónica

Telefónica is one of the largest telecommunications companies in the world by market capitalization and number of customers with a comprehensive offering and quality of connectivity that is delivered over world class fixed, mobile and broadband networks. As a growing company it prides itself on providing a differential experience based both on its corporate values and a public position that defends customer interests.

The company has operations in 17 countries and 344 million accesses around the world. Telefónica has a strong presence in Spain, Europe and Latin America, where the company focuses an important part of its growth strategy.

Telefónica is a 100% listed company, with more than 1.5 million direct shareholders. Its shares are traded on the Spanish Stock Market and on those in London, New York, Lima, and Buenos Aires.